

SECTION 01027 - APPLICATIONS FOR PAYMENT

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 1 Specification Sections, apply to this Section.

1.2 SUMMARY

- A. This Section specifies administrative and procedural requirements governing the Contractor's Applications for Payment.
- B. Related Sections: The following Sections contain requirements that relate to this Section.
 - 1. Schedules: The Contractor's Construction Schedule and Submittal Schedule are specified in Division 1 Section "Submittals."

1.3 SCHEDULE OF VALUES

- A. Coordination: Coordinate preparation of the Schedule of Values with preparation of the Contractor's Construction Schedule.
 - 1. Correlate line items in the Schedule of Values with other required administrative schedules and forms, including:
 - a. Contractor's Construction Schedule.
 - b. Application for Payment forms, including Continuation Sheets.
 - c. List of subcontractors.
 - d. Schedule of allowances.
 - e. Schedule of alternates.
 - f. List of products.
 - g. List of principal suppliers and fabricators.



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- h. Schedule of submittals.
 - 2. Submit the Schedule of Values to the Government at the earliest possible date but no later than 7 days before the date scheduled for submittal of the initial Applications for Payment.
 - 3. Sub-schedules: Where Work is separated into phases requiring separately phased payments, provide sub-schedules showing values correlated with each phase of payment.
- B. Format and Content: The Government will provide a format for the Schedule of Values. Use the Specifications table of contents as a guide to establish the Schedule of Values. Provide at least one line item for each Section.
- 1. Identification: Include the following Project identification on the Schedule of Values:
 - a. Project name and location.
 - b. Name of the Architect.
 - c. Project number.
 - d. Contractor's name and address.
 - e. Date of submittal.
 - 2. Arrange the Schedule of Values in tabular form with separate columns to indicate the following for each item listed:
 - a. Related Specification Section or Division.
 - b. Description of Work.
 - c. Name of subcontractor.
 - d. Name of manufacturer or fabricator.
 - e. Name of supplier.
 - f. Change Orders (numbers) that affect value.
 - g. Dollar value.
 - 1) Percentage of Contract Sum to nearest one-hundredth percent, adjusted to total 100 percent.
 - 3. Provide a breakdown of the Contract Sum in sufficient detail to facilitate continued evaluation of Applications for Payment and progress reports. Coordinate with the Project Manual table of contents. Break principal subcontract amounts down into several line items.
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4. Round amounts to nearest whole dollar; the total shall equal the Contract Sum.
 5. Provide a separate line item in the Schedule of Values for each part of the Work where Applications for Payment may include materials or equipment, purchased or fabricated and stored, but not yet installed.
 - a. Differentiate between items stored on-site and items stored off-site. Include requirements for insurance and bonded warehousing, if required.
 6. Provide separate line items on the Schedule of Values for initial cost of the materials, for each subsequent stage of completion, and for total installed value of that part of the Work.
 7. Margins of Cost: Show line items for indirect costs and margins on actual costs only when such items are listed individually in Applications for Payment. Each item in the Schedule of Values and Applications for Payment shall be complete. Include the total cost and proportionate share of general overhead and profit margin for each item.
 - a. Temporary facilities and other major cost items that are not direct cost of actual work-in-place may be shown either as separate line items in the Schedule of Values or distributed as general overhead expense, at the Contractor's option.
 8. Schedule Updating: Update and resubmit the Schedule of Values prior to the next Applications for Payment when Change Orders or Construction Change Directives result in a change in the Contract Sum.

1.4 APPLICATIONS FOR PAYMENT

- A. Each Application for Payment shall be consistent with previous applications and payments as certified by the Government and paid for by the Owner.
 1. The initial Application for Payment, the Application for Payment at time of Acceptance, and the final Application for Payment involve additional requirements.
- B. Payment-Application Times: The date for each progress payment is the 15th day of each month. The period covered by each Application for Payment starts

on the day following the end of the preceding period and ends 15 days prior to the date for each progress payment.

- C. Payment-Application Forms: Use AIA Document G702 and Continuation Sheets G703 as the form for Applications for Payment.
- D. Application Preparation: Complete every entry on the form. Include notarization and execution by a person authorized to sign legal documents on behalf of the Contractor. The Government will return incomplete applications without action.
 - 1. Entries shall match data on the Schedule of Values and the Contractor's Construction Schedule. Use updated schedules if revisions were made.
 - 2. Include amounts of Change Orders and Construction Change Directives issued prior to the last day of the construction period covered by the application.
- E. Transmittal: Submit 3 signed and notarized original copies of each Application for Payment to the Government by a method ensuring receipt within 24 hours. One copy shall be complete, including waivers of lien and similar attachments, when required.
 - 1. Transmit each copy with a transmittal form listing attachments and recording appropriate information related to the application, in a manner acceptable to the Government.
- F. Initial Application for Payment: Administrative actions and submittals, that must precede or coincide with submittal of the first Application for Payment, include the following:
 - 1. List of subcontractors.
 - 2. List of principal suppliers and fabricators.
 - 3. Schedule of Values.
 - 4. Contractor's Construction Schedule (preliminary if not final).
 - 5. Schedule of principal products.
 - 6. Schedule of unit prices.
 - 7. Submittal Schedule (preliminary if not final).
 - 8. List of Contractor's staff assignments.



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9. List of Contractor's principal consultants.
 10. Copies of building permits.
 11. Copies of authorizations and licenses from governing authorities for performance of the Work.
 12. Initial progress report.
 13. Report of pre-construction meeting.
 14. Certificates of insurance and insurance policies.
 15. Performance and payment bonds.
 16. Data needed to acquire the Owner's insurance.
 17. Initial settlement survey and damage report, if required.
- G. Application for Payment at Acceptance: Following issuance of the Certificate of Acceptance, submit an Application for Payment.
1. This application shall reflect Certificates of Partial Acceptance issued previously for Owner occupancy of designated portions of the Work.
 2. Administrative actions and submittals that shall precede or coincide with this application include:
 - a. Occupancy permits and similar approvals.
 - b. Warranties (guarantees) and maintenance agreements.
 - c. Test/adjust/balance records.
 - d. Maintenance instructions.
 - e. Meter readings.
 - f. Startup performance reports.
 - g. Changeover information related to Owner's occupancy, use, operation, and maintenance.
 - h. Final cleaning.
 - i. Application for reduction of retainage and consent of surety.
 - j. Advice on shifting insurance coverages.
 - k. Final progress photographs.
 - l. List of incomplete Work, recognized as exceptions to Certificate of Acceptance.
- H. Final Payment Application: Administrative actions and submittals that must precede or coincide with submittal of the final Application for Payment include the following:
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1. Completion of Project closeout requirements.
2. Completion of items specified for completion after Acceptance.
3. Ensure that unsettled claims will be settled.
4. Ensure that incomplete Work is not accepted and will be completed without undue delay.
5. Transmittal of required Project construction records to the Owner.
6. Certified property survey.
7. Proof that taxes, fees, and similar obligations were paid.
8. Removal of temporary facilities and services.
9. Removal of surplus materials, rubbish, and similar elements.
10. Change of door locks to Owner's access.

END OF SECTION 01027

